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12 February 2015

To: The Leader – Councillor Ray Manning  
Deputy Leader – Councillor Simon Edwards  
Members of the Cabinet – Councillors Mark Howell, Mick Martin, Robert Turner,  
David Whiteman-Downes, Tim Wotherspoon and Nick Wright  
Quorum: Majority of the Cabinet including the Leader or Deputy Leader

Dear Councillor

This is a supplement to the previously-published agenda for the meeting of **CABINET** on **THURSDAY, 12 FEBRUARY 2015**, containing those reports which had not been received by the original publication deadline.

Yours faithfully  
**JEAN HUNTER**  
Chief Executive

Requests for a large print agenda must be received at least 48 hours before the meeting.

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## AGENDA

	PAGES
<b>7. Medium Term Financial Strategy (General Fund Budget 2015-16 including Council Tax Setting), Housing Revenue Account (including Housing Rents), Capital Programme 2015/16-2019/20, Local Government Financial Settlement and Treasury Management Strategy (Revised 2014/15 and 2015/16) (Key)</b>	<b>1 - 6</b>

These documents were circulated at the meeting as amended versions to those published with the agenda pack.

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# Agenda Item 7

## REVENUE ESTIMATES

20. The General Fund summary up to the year ending 31 March 2016 is submitted for Members' approval as **Appendix B1**.
21. The figures in Appendix B1 show the 2014-15 original estimate for Net District Council General Fund Expenditure of £16.215 million decreasing to £16.099 million in the 2015-16 estimate, a decrease of £0.116 million in cash terms (0.7%).
22. **Appendix B2** sets out details of "precautionary" items of expenditure totalling £412,000. These are items of expenditure over which there is some doubt as to whether they would occur in 2015-16, but if they did, the Council would be required to meet them. It has been assumed that expenditure of £75,000 will be incurred on precautionary items in 2015-16 on the basis that there has been limited use of precautionary items in previous years, with most additional demands being met by virements from other budgets.

## COLLECTION FUND BALANCE

23. The Council's Collection Fund includes transactions relating to the Council Tax.
24. Regulations provide that the balance on the Collection Fund at 31st March 2015, whether in hand or overdrawn, must be transferred to the Billing Authority and the major precepting authorities in the same ratio as their 2014-15 precepts.
25. It is estimated that the balance at 31 March 2015 will be a surplus of £1,123,739 of which £142,439 will be transferred to the District in 2015-16.

## PART 2 – SETTING THE COUNCIL TAX

### CALCULATION OF THE TAX

26. The Council Tax figures quoted in this report relate to the tax on a Band D property occupied by two or more adults unless otherwise indicated. Last year the process for setting the tax base changed following the introduction of major changes to the welfare system in April 2013. The principal change was the end of the council tax benefit system. In replacement, billing authorities were required to design and implement their own localised council tax support schemes (LCTSS).
27. Essentially, this is done through the granting of discounts to the council tax bill. Under the legislation, the council is required to grant the equivalent discount in cash terms as benefit for pensioners, so they will not notice any change to their bills. The Council also decided to fully protect other vulnerable groups and to limit the impact on remaining benefit claimants. To partially offset the impact of the new LCTSS, the Council ceased some discounts and exemptions granted to owners of second and empty homes.
28. As a consequence of the changes the District Council saw a reduction to the council tax base. This is because the granting of discounts is treated as a reduction to the amount chargeable as opposed to council tax benefit which is treated as a reduction to the amount payable by the claimant.

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# **New Homes Bonus (NHB) and Infrastructure Reserve Fund**

calculated on the basis of future average national council tax increases of 2%

... from new homes in	NHB receipt arising in financial year ...								
	2011- 12	2012- 13	2013- 14	2014- 15	2015- 16	2016- 17	2017- 18	2018- 19	2019- 20
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2011-12	869	869	869	869	869	869			
2012-13		878	878	878	878	878	878		
2013-14			899	899	899	899	899	899	
2014-15				547	547	547	547	547	547
2015-16					961	961	961	961	961
2016-17						801	801	801	801
2017-18							1,128	1,128	1,128
2018-19								1,509	1,509
2019-20									1,578
Funding adjustment			20						
<b>Totals</b>	869	1,747	2,666	3,193	4,154	4,955	5,214	5,845	6,524
Less: Contribution to GF			1,803	1,803	1,803	1,803	1,803	1,803	1,803
Infrastructure projects			50	207	332	207	445	64	65
A14 upgrade contribution									5,000
<b>Surplus/(Deficit) for year</b>			813	1,183	2,019	2,945	2,966	3,978	(344)
<b>Infrastructure Reserve Fund</b>									
B/fwd			0	813	1,996	4,015	6,960	9,926	13,904
Surplus/(Deficit) for year			813	1,183	2,019	2,945	2,966	3,978	(344)
<b>C/fwd</b>			813	1,996	4,015	6,960	9,926	13,904	13,560

The effect on the infrastructure reserve fund of provisionally allocating a proportion of residual NHB receipts in each year as this authority's commitment to City Deal shared funding, 40% in 2015-16 and 50% from 2016-17 on, is shown below:

B/fwd	0	813	1,996	3,207	4,974	6,753	9,140
Surplus/(Deficit) for year	813	1,183	2,019	2,945	2,966	3,978	(344)
Less:			808	1,178	1,187	1,591	0
City Deal shared funding							
C/fwd	813	1,996	3,207	4,974	6,753	9,140	8,796

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APPENDIX B1

GENERAL FUND SUMMARY			
Actual 2013/2014 £	NET EXPENDITURE	Estimate 2014/2015 £	Estimate 2015/2016 £
474,448	Portfolio		
1,868,002	Leader	483,950	425,910
1,567,604	Finance and Staffing	2,622,470	2,474,360
108,072	Corporate and Customer Services	1,787,790	1,911,060
5,919,660	Economic Development	202,200	183,150
1,287,758	Environmental Services	6,234,840	6,179,610
1,624,796	Housing (General Fund)	1,286,750	1,305,760
1,587,573	Planning	2,082,720	1,939,950
	Strategic Planning and Transportation	1,331,650	1,608,250
14,437,913	<b>Fully Allocated Net Portfolio Expenditure</b>	16,032,370	16,028,050
0	Unallocated		
0	Reduction for vacancies	(450,000)	(450,000)
849,370	Departmental/Overhead Roll-overs not allocated	50,000	0
228,010	Non-recurring expenditure on infrastructure, communal facilities etc.	1,608,250	2,018,970
0	Council Tax Support Funding grant to Parish Councils	0	0
0	<b>Savings not included in Portfolio estimates</b>	(300,000)	(670,000)
50,000	Expenditure on Precautionary Items	75,000	75,000
15,565,293	Council Actions	50,000	50,000
	<b>Net Portfolio Expenditure</b>	17,065,620	17,052,020
166,121	Internal Drainage Boards	166,850	174,500
(437,439)	Interest on Balances	(345,500)	(590,500)
(619,228)	Capital Charges, etc.	(671,790)	(537,230)
14,674,747	<b>Net District Council General Fund Expenditure</b>	16,215,180	16,098,790
3,647,485	Appropriation to/(from) General Fund balance	(266,450)	(473,110)
(3,189,853)	New Homes Bonus	(3,201,180)	(4,154,400)
15,132,379	<b>General Expenses (Budget Requirement for capping purposes)</b>	12,747,550	11,471,280
(3,425,857)	Revenue Support Grant	(2,656,520)	(1,829,920)
(4,786,184)	Retained Business Rates	(2,870,300)	(3,462,350)
13,352	(Surplus)/Deficit on Collection Fund re Council Tax	(65,050)	(142,440)
	(Surplus)/Deficit on Collection Fund re Business Rates		1,441,980
6,933,690	<b>Demand on Collection Fund to be raised from Council taxpayers</b>	7,155,680	7,478,550
<b>INCOME FROM COUNCIL TAX</b>			
Number		Number	Number
57,560.1	Tax Base for tax setting purposes (Band D equivalents)	58,242.6	59,680.4
£ p	multiplied by Basic Amount of Council Tax	£ p	£ p
120.46	for the District	122.86	125.31
£	equals	£	£
6,933,690	<b>Income to be raised from Council taxpayers</b>	7,155,680	7,478,550
£	<b>Balances at year end (excluding Section 106 monies)</b>	£	£
(11,121,096)	<b>Revenue</b>		
(2,492,614)	General Fund	(6,762,110)	(9,557,310)
	Housing Revenue Account	(2,033,880)	(2,018,620)
(12,648,538)	<b>Capital</b>		
(3,568,492)	Earmarked Reserves		
	Usable Capital Receipts	(601,060)	(675,330)

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